

# 3 Key Roles of a Small Business Owner

As a small business owner, you can have a lifestyle of freedom and flexibility not offered to an employee. However, being a small business owner also carries greater responsibility with many more tasks to juggle.

The more solid your business fundamentals are, the better the chance your business has to survive and ultimately thrive. Good management of your time and the limited resources you have is the key to success.

1. **The first key role in business is to maximise Profit.** To increase profit you can increase price, reduce cost or increase volume.
2. **The second key role is to increase cash flow.** Your business can only keep running if it have enough cash to pay its bills.
3. **The third key role is to focus on marketing and sales.** You need to set goals which will give the business direction and make it accountable as we strive for success.

**Focus on results.** Your goal is to maximise profit and to do that you must work smarter. You must consistently produce greater results from the same time, effort and activities.

**You are in business to make money.** You must know how much money come in and when. You also need to know what must get paid and whether it can be reduced or eliminated.

**Sales convert marketing messages and leads into cash.** The marketing function is responsible for generating leads while the sales function is responsible for closing the deal.

To increase sales ask yourself “Is what I am doing right now leading to a sale?” If the answer is “no,” then stop what you are doing and get back to prospecting, presenting and closing.

**A Small Business owner ability to analyze, plan and implement the top 6 business performance drivers will help him to grow and scale his business.**

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|------------------------|---|
| 1. Management          | - Improve Productivity                                    |
| 2. Money               | - Improve Cash Flow                                       |
| 3. Marketing and Sales | - Prospecting, Presenting and Closing Sales               |
| 4. People              | - Relationships with Clients, Suppliers and Staff         |
| 5. Product             | - Quality Products and Great Services at the Right Price. |
| 6. Process             | - System and Controls must be in place for all operations |

**Part of business owner job description and responsibility is to strengthen the business on the inside while expanding the business on the outside.**

1. Keep control over finances
2. Focus on the fundamentals of business – giving great services and generating cash.
3. Clearly define the mission, goals and vision of the company.
4. Partner with the best people for every service and product you must deliver
5. Improve bottom line profits and maximizing long term profitability.
6. Build a unique business model that supports customer loyalty and trust.
7. Build and add new products for a continuous stream of innovative offerings.
8. Add value and improved quality of service.

Some of your key roles have a greater responsibility and a bigger impact on your business depending on where the business is in its growth cycle.

For instance for a new start up business Money, Marketing/Sales and Product is very important. As the business is growing and becoming bigger, other factors like developing the Owners Skills, having a great Team and Systems also becomes very important.

**Although every one of them is just as important as the other one, the most important ones in general will always be: (1) Money (2) Marketing & Sales and (3) Operations**

The marketing function is about building brand awareness and increasing interest in the product or service that the business is selling.

In Brian Tracy's book - *The 100 absolutely unbreakable laws of business success*, the "Law of Three" says that there are only three things that you do each day that account for 90% of the value of everything that you do.

**There are only 3 things that account for 90% of your sales, profit and your success.**

- In Sales we now know that the three activities that account for 90% of your value are: **Prospecting, Presenting, and Closing.**
- In Marketing it is the **Right Target group with the Right message in the Right Medium**
- In Revenue it is to - Increase the average transaction size per customer - Increase the frequency of transactions and - raising your prices.
- In Profits, the three most important things are: **Increase price, reduce cost or increase volume.**

These are just a few basics and as a business owner it's your responsibility to identify and focus on the big three important things in your business.

**Tips on how to avoid losing focus on business basics**

1. Always maintain your integrity (in everything you do)
2. Decide who you are and what you do (and what you don't do)
3. Decide who you serve (and who you don't serve)
4. Decide what makes you different (and do it)
5. Manage cash flow (very closely)
  
6. Set goals (and go after them)
7. Market your business (get known for the right reasons)
8. Produce and sell more and better products and services
9. Control costs more intelligently
10. Expand and grow more predictably

**A goal without a plan is just a wish.** The biggest reason people fail is because of limited or the wrong action.

Many small business owners let their fear of failure stop them from putting their ideas into action. Challenge yourselves with the following mindset.

**Most great people have attained their greatest success just one step beyond their greatest failure. — Napoleon Hill**